

AMA GROUP

Risk Management Policy

1. Introduction

AMA Group Limited, together with its controlled entities (the Group or AMA Group), understands that being exposed to risks is a part of all business activities, and recognises that effective management of risk is foundational to a successful enterprise.

The Group views effective risk management as key to:

- understanding our risks and clarifying the amount of risk we want to take;
- driving informed decisions that consider risks and optimise returns;
- reducing unnecessary negative risk exposures and enhancing shareholder value; and
- achieving operational and strategic objectives, and being perceived as a supplier of choice for our key customers.

This Risk Management Policy (Policy) applies to all directors and employees of AMA Group, our contractors and their employees.

2. Purpose

The purpose of this policy is to articulate why risk management is important to the AMA Group, and to outline the key components and accountabilities that support how AMA Group executes its approach to risk management.

3. Policy Statement

AMA Group is committed to:

- the ongoing development of effective risk management processes, underpinned by risk governance, a clearly set risk appetite, a risk framework and a risk conscious culture;
- building resilience to, where possible, prevent and otherwise maintain and recover operations through, severe disruptions;
- managing risk on an enterprise-wide basis, by embedding risk management principles and practices throughout the Group's business activities;
- ensuring we are trained and empowered to understand our risks and our risk appetite as key considerations in our decision-making;
- using our risk management capabilities to maximise value from our assets, business partnerships and other growth opportunities;
- identifying, analysing, assessing and managing our risks and issues in a consistent manner, using common systems and methodologies;
- designing and implementing key controls to mitigate risks, and systematically evaluate the effectiveness of our key controls; and
- monitoring, reviewing and reporting on the Group's risks to Board and executive management.

4. Risk Management Framework

AMA Group's Risk Management Framework (RMF) is defined as the totality of systems, structures, policies, processes and people that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk.

This policy serves as a key component of the RMF, with other key RMF components outlined below (items 5-7).

5. Risk Governance

The directors of AMA Group will:

- set, oversee and review annually the risk appetite;
- set and review annually documented delegations of authorities;
- review management's implementation of an appropriate RMF for managing financial and non-financial risk, including compliance with existing legislation and Group policies; and
- review management's process for assessing the effectiveness of the RMF.

The Audit and Risk Committee will conduct oversight of risk management activities on behalf of the Board.

The Group Chief Executive Officer has executive accountability for AMA Group's risk management and will drive a culture of risk management across the Group so that risks will be identified and assessed in a consistent manner. Proactive treatment and contingency plans will be designed and implemented and their effectiveness will be systematically reviewed and improved where necessary.

Ownership of this policy is allocated from the Group Chief Executive Officer to the applicable Group Executive. Responsibility for the design of the RMF, and to oversee and monitor the RMF's implementation across the Group, is delegated to a senior member of Group management with a dedicated risk management role.

Managers will ensure staff comply with this Policy and foster a culture where risks are identified, reviewed and mitigated, as appropriate.

6. Risk Appetite

AMA Group acknowledges that it faces a broad range of risks across its business and that any risk that could have a material impact on our business should be included in our risk profile.

Risk appetite guides risk culture and sets boundaries on risk taking activities by articulating the level and type of risk the Board is willing to accept. Risk appetite is reviewed annually and may be reviewed more frequently to reflect significant events or initiatives.

AMA Group's operations are to be conducted within risk appetite.

7. Risk Monitoring and Reporting

Responsibility for managing the uncertainty of risk rests with line management. Accountability for managing risks includes ensuring that the risk treatments and key controls in place are both adequate and effective.

Management will:

- identify, monitor and assess identified risks, including material business risks and regularly report to the Audit and Risk Committee;
- report to the Board at least annually on the effectiveness of the RMF and key internal controls; and
- report to the Board at least annually on the management of individual material business risks.

Risk-related reporting to our shareholders will comply with the ASX Corporate Governance Principles.

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8. Risk Process

The Risk & Audit function is responsible for the risk and compliance procedures and processes supporting risk management activities. Examples include defining how risks are identified, assessed, rated, monitored, and reported; and how compliance with obligations, AMA's risk culture, and the effectiveness of controls are assessed and monitored.

9. Policy Review

Once every two years, the Audit and Risk Committee will review this Policy to determine its adequacy for current circumstances and make any appropriate amendments.

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